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dates given. The gradual process was *begun* by laws passed at the times referred to. Typographical errors are numerous, as is natural in the first edition of a work containing so many titles of books, proper names, and numerals. The text is usually up to date, but there are occasional lapses, as (p. 54) where it is stated that there is no complete collection of presidential proclamations. The valuable collection now printing at the Government Printing Office should not be overlooked.

These defects, however, are only spots on the face of the sun. The book is sure to be a great help to every teacher, who will use it intelligently, and furnishes a convenient manual for every student of American History.

BERNARD C. STEINER.

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Outlines of Economic Theory. By HERBERT JOSEPH DAVENPORT. Pp. xii, 381. Price, \$2.00. New York: The Macmillan Co., 1896.

This is a book which appeals to the advanced student rather than to the beginner. While the style is usually clean cut and often striking, the language and terms employed would make hard reading for any one to whom economic concepts were new. This is not necessarily a fault, as most attempts to elementalize, so to speak, economics, have resulted in a sacrifice of manly strength.

The volume has the text-book arrangement. Preceding each chapter is a list of questions, designed to quicken the reader's mind preparatory to the formal discussion. A list of suggestive questions also follows each chapter and each important section, designed as a review and to suggest applications to current topics. One feature is new and valuable. From two to four pages at the close of each chapter are given to selections from the writings of the great economists of all lands bearing on the subjects just discussed. These selections are made with discretion and are a helpful adjunct.

The book is divided into two parts, economics as a science and economics as an art. This division is not made to enable the economist to divest himself of his professional character, and allow him full swing as a man or social philosopher, but is designed to solve difficulties which face the economist as such. It is essentially a difference in standpoint.

The traditional arrangement of the subject matter is disregarded. No special part is devoted to the discussion of production. After treating of value following preliminary considerations, our author at once takes up the subject of distribution, and ends the theoretical part with international trade, monopoly, taxation and currency. His general treatment of theoretical questions is abreast of the latest work.

To one familiar with Clark, Marshall and the work of the Austrians, there is little that is new. Sidgwick, Marshall, Courcelle-Seneuil, Clark, Jevons and Böhm-Bawerk supply for him the larger part of the quoted matter.

In his treatment of value the author recognizes demand as a leading force in economic activity. He is explicit in rejecting the doctrine that value is the measure of utility. It is not clear, however, that in thus rejecting Clark he fully understands him. To Mr. Davenport value is the measure of the sacrifice involved in obtaining utility. He later explains that he has in mind usually not the sacrifice of mere effort, which would explain value only in case there was a "clear chosing between the indisposition to labor and the gratification of some particular desire." But he has in mind cases in which exertion is certain, and the sacrifice involved in obtaining one thing is the deprivation of another thing; in such cases the measure of the value of the thing obtained is the sacrifice of the unattained thing. As it stands, the statement does not seem to be true. The idea needs further development. Whether the negative loss of gratification is to measure value will depend upon whether it is more or less important than the sacrifice of effort, as Böhm-Bawerk has shown. In case loss of gratification is felt less acutely than pain of effort, would it occur to us to use the former as our yardstick? But there is some doubt whether, even in case the loss of gratification were greater than the pain of effort, it is correct to employ the use foregone as our measure, because it involves our saying that we sacrifice what we enjoy. This for the reason that if our economic activity has been guided by considerations of reason, out of a number of gratifications of different degrees obtainable for a given amount of effort, we must have chosen the maximum gratification. Being the maximum it includes any one of the lesser and more.

Defining cost of production as the "sacrifices of other possible values producible by the application of the same productive energies," there seems to be an inconsistency in the treatment of value and costs. According to the above definition, and the author's own law of value, it would appear correct to say that value is determined by cost of production. But the whole force of the argument at this point is to make cost of production, as interpreted by sacrifice, a subordinate and secondary cause of value. With this most of us would agree, for "none of the forms of compensation attributed to productive forces are to be regarded as primarily causal elements in market values, but rather as distributive shares received by different co-operating factors out of the apportionment of the value product. Wages and interest, as well as rent, are compensation and not cost—result and not cause.

In distribution demand is recognized as the ultimate force. Society exercises choice among industries by showing a disposition to sacrifice some goods in order to obtain others. Society thus determines the quality and kind of productive energies which may be remuneratively applied to different industries. Hence market values in all industries fix the apportionment in each. The remunerations in each industry must be sufficient to induce some sharers to refuse the remunerations possible in other industries.

From this point of view he rejects Ricardo's statement that the "corn which is produced by the greatest quantity of labor is the regulator of the price of corn," and says that the price of corn is the regulator of the quantity of productive energy devoted to producing corn. To this extent he sets aside the view that market price is fixed by the marginal cost of production. Price simply determines what costs may be undertaken.

Rent comes under the general law of value. Both rest upon supply and demand. Different rents are paid for difference of advantage in use. As to wages each laborer determines for himself what activity will yield the maximum of result with the minimum of sacrifice. The individual motives which determine the sacrifice element are legion, and they only affect wages as, by affecting the supply of laborers, they affect the market supply of the goods produced. Hence wages are determined by the causes which modify the demand for particular goods, and the supply of labor energy. The same line of reasoning applies to the entrepreneur. His remuneration is determined competitively by the demand for his services and the supply of them. In the case of both employer and employed, there may be a quasi-rent due to exceptional ability, superior advantages, or even to the exercise of the tricks of the trade. In distribution the entrepreneur has no such prominent place as is assigned to him by General Walker.

In both production and distribution, man is the central figure. Capital does not employ men. Men employ both capital and land and compensate their owners in the measure that these instruments can profit man for the purposes of production. "That which remains after this service of land and capital has been marginally fixed, and payment rendered to the owners, goes to the producing man (either entrepreneur or laborer) as the net reward of his efforts."

It will thus be seen that the general attitude on theoretical questions is in line with the newer modes of thought. The applications to practical problems are interesting and in the main sound, though we do not find in them anything especially new. The writer has a keen economic sense, is a thorough master of the literature of his subject, and always expresses himself in cogent language. We think, however,

that he lacks the art of happy arrangement. Subjects come up in the most unexpected places. For this reason, if for no other, a fuller index would have improved the volume.

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The Contest over the Ratification of the Federal Constitution in Massachusetts. By SAMUEL BANNISTER HARDING, A. M. Pp. 194. Price, \$1.25. Harvard Historical Studies, No. II. New York: Longmans, Green & Co., 1896.

"In the United States the history of party," says Mr. Bryce, "begins with the Constitutional Convention of 1787, at Philadelphia." Too late by a score of years this date seems to many. But it remains true that in the record of the convention and of the contest over the ratification of its work there is to be found not a little material of the highest interest and importance to any one who would obtain "a right understanding of the subsequent party struggles in national politics, by which the interpretation of the constitution was fixed and the scope and general policy of the new government were determined." It is upon this quest that Mr. Harding has pursued his very successful investigation in Massachusetts.

The two causes directly fostering the development of opposition to the frame of government presented in the constitution are found in the inordinate self-confidence of the people as to their ability to pass upon the most abstruse questions of government and in the pronounced antagonism in matters political between the upper and the lower classes—a dislike of the rich by the poor, a distrust of the town by the country, of the merchants by the farmers.

In his account of the vigorous newspaper discussions which preceded the meeting of the convention, Mr. Harding presents almost exclusively the lines of attack, assuming that the defensive arguments are familiar. The lack of a bill of rights was much criticised and not a little fear was felt lest Congress should use its powers to so control elections as to make the mercantile interests dominant. The atmosphere of the recent Shay's rebellion still breathes in the opposition to the clauses "prohibiting to the states the power to emit bills of credit, or to make tender laws." "Here," wrote one of the most vigorous opponents, "I suppose the principal weight of the opposition will hang." Consolidation was feared, and it was thought that the powers both of the courts and of Congress were too loosely limited. Not a little prescience was shown by "a Republican Federalist" who comments thus upon the elastic clause of the constitution (Art. I, Sec. viii, § 18): "This I call an *omnipotent* clause, for I